



Risk-Based Capital Ratio: Risk Weights at a Glance

		Current NCUA Rule (since 2002)	2014 NCUA Proposal (10.5% Threshold)	Revised 2015 NCUA Proposal (10% Threshold)	FDIC (10% Threshold)	2015 NCUA Comparable to FDIC Risk Weight?
Category	Sub Category	Inferred Risk Weights ¹	Risk Weight	Risk Weight	Risk Weight	(Yes/No)
Numerator	Equity <i>(Includes Undivided Earnings, Regular Reserves, Appropriation for Non-conforming Investments, Other Reserves, Equity Acquired in Merger, Net Income, and Supplemental Capital authorized for Low-Income Designated Credit Unions)</i>	Net Worth	100%	100%	100%	Y
	ALLL	<i>Capped at 1.5% of Loans</i>	<i>Capped at 1.25% of Risk Assets</i>	<i>No Cap</i>	<i>Capped at 1.25% of Risk Assets</i>	N
	NCUSIF	n/a	-100%	-100%	n/a	n/a
	Goodwill	n/a	-100%	-100% ²	-100%	Y
	Other intangible assets (excludes mortgage servicing assets)	n/a	-100%	-100% ²	-100%	Y
¹ For comparison purposes, the inferred risk weights are calculated in this column by dividing the current rule's capital charge by both the 10.5% well capitalized threshold (used in the original NCUA proposal) and the new 10% threshold used in NCUA's revised proposed rule. ² Special handling for allowing goodwill and other intangibles related to supervisory mergers incurred prior to 2015; phase-out date 2025						
Denominator	Cash & Deposits (10.5% / 10%)					
	Cash, currency, coin	0% / 0%	0%	0%	0%	Y
	Cash on deposit on transaction account	29% / 30%	20%	n/a ³	n/a ³	n/a
	Cash items in process of collection	0% / 0%	20%	n/a ³	20%	n/a
	Balances due from Federal Reserve Banks		20%	0%	0%	Y
	Insured deposits in U.S. federally insured depository inst.		20%	0%	0%	Y
	Uninsured deposits in U.S. federally insured depository inst.		20%	20%	20%	Y
	Cash equivalents (investments with maturities < 3 months)	29% / 30%	20%	n/a ⁴	n/a ⁴	n/a
	³ The rule accounts for deposits as insured or uninsured for risk weight purposes ⁴ The rule captures cash equivalents as either an investment or deposit product and applies the risk weight treatment as applicable					
	Investments (10.5% / 10%)					
	OLD: Investments with maturity/WAL ⁵ < 1 Year	29% / 30%	20%	n/a	n/a	
	OLD: Investments with maturity/WAL > 1 Year and < 3 Years	57% / 60%	50%	n/a	n/a	
	OLD: Investments with maturity/WAL > 3 Year and < 5 Years	114% / 120%	75%	n/a	n/a	
	OLD: Investments with maturity/WAL > 5 Year and < 10 Years	114% / 120%	150%	n/a	n/a	
	OLD: Investments with maturity/WAL > 10 Years	190% / 200%	200%	n/a	n/a	
	Corporate non-perpetual capital (Membership capital)	57% / 60%	100%	100%	250%	N
	Corporate perpetual capital (Paid-In Capital)	57% / 60%	200%	150%	250%	N
	Direct unconditional claims on U.S. government	WAL ⁵	0%	0%	0%	Y
	Debt instruments issued by NCUA and FDIC	0%	0%	0%	0%	Y
	Central Liquidity Facility stock	57% / 60%	50%	0%	0%	Y
	Agency obligations	WAL	WAL	20%	20%	Y
	General obligation bonds issued by state or political sub.	WAL	WAL	20%	20%	Y
	FHLB stock	57% / 60%	50%	20%	20%	Y
	Investment funds holding only 0% - 20% risk weighted 703 permissible investments	WAL	WAL	20%	⁹	Y
	Agency and GSE MBS or ABS structured securities	WAL	WAL	20% ^{6,7}	20%	Y
	Revenue bonds issued by state or political sub.	WAL	WAL	50% ⁷	50%	Y
	Non-agency residential MBS structured securities	WAL	WAL	50% ⁷	⁸	Y
	Non-agency ABS structured securities	WAL	WAL	100% ⁷	⁸	N
	Agency stripped MBS (interest only and principal only)	WAL	WAL	100%	100%	Y
	Industrial development bonds	WAL	WAL	100%	100%	Y
	Value of general account permanent insurance	WAL	WAL	100%	100%	Y
	Mutual funds – Part 703 compliant	WAL	WAL	100% ⁹	⁹	Y
	Separate account life insurance	WAL	WAL	300% ⁹	⁹	Y
	Publicly traded equity investment (non CUSO)	190% / 200%	200%	300%	300%	Y
	Fair value of mutual funds not compliant with Part 703	WAL	WAL	300% ⁹	⁹	Y
	Non-publicly traded equity investment (non CUSO)	190% / 200%	200%	400%	400%	Y
	Subordinated tranche of any investment	WAL	WAL	1,250% ⁸	⁸	Y
	⁵ Weighted Average Life (WAL) ⁶ Exclude interest only and principal only ⁷ Non-subordinated ⁸ FDIC is subject to Gross-Up or Simplified Supervisory Formula Approach, NCUA has option of using Gross-Up Approach for subordinated tranches ⁹ FDIC is subject to Look-Through Approach, NCUA has the option of using the Look-Through Approach					
	Loans (10.5% / 10%)					
	Share-secured loans	n/a	75%	20%	n/a	n/a
	Government-guaranteed portion of loan balances	57% / 60%	20%	20%	20%	Y
	Current secured consumer loans	57% / 60%	75%	75%	100%	N
	Current unsecured consumer loans	57% / 60%	75%	100%	100%	Y
	Current non-federally insured student loans	57% / 60%	100%	100%	100%	Y
	Non-current consumer loans	57% / 60%	150%	150%	150%	Y



Risk-Based Capital Ratio: Risk Weights at a Glance

		Current NCUA Rule (since 2002)	2014 NCUA Proposal (10.5% Threshold)	Revised 2015 NCUA Proposal (10% Threshold)	FDIC (10% Threshold)	2015 NCUA Comparable to FDIC Risk Weight?
Category	Sub Category	Inferred Risk Weights ¹	Risk Weight	Risk Weight	Risk Weight	(Yes/No)
Loans Continued...		(10.5% / 10%)				
	Multi-family statutory treatment for FDIC	MBL	MBL	Commercial	50%	N
	OLD: Current 1st lien real estate loans < 25% of assets	n/a ¹⁰	50%	n/a	50%	
	OLD: Current 1st lien real estate loans >25% - 35% of assets	n/a ¹⁰	75%	n/a	50%	
	Current 1st lien residential real estate loans <35% of assets	n/a ¹⁰	n/a	50% ¹¹	50%	Y
	Current 1st lien residential real estate loans >35% of assets	n/a ¹⁰	100%	75% ¹¹	50%	N
	Non-current 1st lien residential real estate	n/a ¹⁰	100% - 150% ¹²	100%	100%	Y
	OLD: Current all junior real estate loans < 10% of assets	n/a ¹⁰	100%	n/a	100%	
	OLD: Current all junior real estate loan >10% - 20% of assets	n/a ¹⁰	125%	n/a	100%	
	Current junior real estate loans < 20% of assets	n/a ¹⁰	n/a	100% ¹¹	100%	Y
	Current junior real estate loans > 20% of assets	n/a ¹⁰	150%	150% ¹¹	100%	N
	Non-current junior real estate loans	n/a ¹⁰	100% - 150%	150%	100%	N
	OLD: Member business loans < 15% of assets	57% / 60%	100%	n/a	100% - 150% ¹³	
	OLD: Member business loans > 15% - 25% of assets	76% / 80%	150%	n/a	100% - 150% ¹³	
	OLD: Member business loans > 25% of assets	133% / 140%	200%	n/a	100% - 150% ¹³	
	Current commercial loans < 50% of assets	n/a	n/a	100% ¹⁴	100% - 150% ¹³	Y
	Current commercial loans > 50% of assets	n/a	n/a	150% ¹⁴	100% - 150% ¹³	N
	Commercial loan balances secured by compensating balances	n/a	n/a	20%	n/a	n/a
	Non-current commercial loans	n/a	n/a	150%	150%	Y
¹⁰ Current NCUA rule combines all long-term real estate loans and applies inferred risk weights of 57%/60% for concentrations below 25% of assets, and 133%/140% if over 25%.						
¹¹ Includes 1- to 4-family non-owner occupied real estate loans						
¹² Treated as junior lien and subject to concentration thresholds						
¹³ FDIC identifies certain loans as High Volatility Commercial Real Estate (HVCRE) and assigns a 150% risk weight.						
¹⁴ NCUA revised proposal excludes from commercial loans 1- to 4-family non-owner occupied first- or junior-lien real estate loans and excludes any loans secured by a vehicle generally manufactured for personal use						
Other Assets		(10.5% / 10%)				
	Loans to CUSOs (Unconsolidated only)	57% / 60%	100%	100%	100%	Y
	Investments in CUSOs (Unconsolidated only)	57% / 60%	250%	150%	100% - 600%	N
	Mortgage servicing assets (carry value)	57% / 60%	250%	250%	250%	Y
	All other assets	57% / 60%	100%	100%	100%	Y
	NCUSIF	n/a	-100%	-100%	n/a	n/a
	Goodwill	n/a	-100%	-100%	-100%	Y
Off-Balance Sheet Items						
	Credit Conversion Factor (CCF) / Risk Weighted (RW):	CCF/(RW10.5%/10%)	CCF/RW	CCF/RW	CCF/RW	
	Commercial loans transferred with recourse	100%/(57% - 60%)	75%/100%	100%/100%	100%/100%	Y
	1st lien residential real estate loans transferred with recourse	100%/(57% - 60%)	75%/50%	100%/50%	100%/50%	Y
	Other real estate transferred with recourse	100%/(57% - 60%)	75%/100%	100%/100%	100%/100%	Y
	Non-federally guaranteed student loans transferred with recourse	100%/(57% - 60%)	75%/100%	100%/100%	n/a	n/a
	All other secured consumer loans transferred with recourse	100%/(57% - 60%)	75%/75%	100%/75%	100%/100%	N
	All other unsecured consumer loans transferred with recourse	100%/(57% - 60%)	75%/75%	100%/100%	100%/100%	Y
	(NCUA) Loans transferred to FHLB under the Mortgage Partnership Finance Program	n/a	n/a	20%/50%	n/a	n/a
	Unfunded commercial loan commitments	n/a	75%/100%	50%/100%	20%-50%/100% ¹⁵	N
	Unfunded 1st lien residential real estate loan commitments	n/a	10%/75%	10%/50%	0%-50%/50% ¹⁵	N
	Unfunded other real estate loan commitments	n/a	10%/75%	10%/100%	0%-50%/100% ¹⁵	N
	Unfunded secured consumer loans	n/a	10%/75%	10%/75%	0%/100% ¹⁵	N
	Unfunded unsecured consumer loans	n/a	10%/75%	10%/100%	0%/100% ¹⁵	N
¹⁵ FDIC - Credit Conversion Factor (CCF) is 0% if loan commitment is <u>unconditionally</u> cancellable. CCF is 20% if loan commitment is <u>conditionally</u> cancellable within 1 year and 50% if loan commitment is <u>conditionally</u> cancellable beyond 1 year.						

This summary was prepared for general comparison purposes. Please read the rule text and preamble for more detail about each risk weight.